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Cook County Recorder of Deeds
Date: 05/17/2007 03:36 PM Pg: 1 of 4

DR 226/83 10P1 OFC

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File No.: 27-5610

FOR RECORDER'S USE ONLY

SECOND MORTGAGE AMENDMENT AND LOAN INCREASE

THIS SECOND MORTGAGE AMENDMENT AND LOAN INCREASE (hereinafter referred to as the "Second Mortgage Amendment"), dated as of the 27th day of April, 2007, by and between **Mehul Shah and Varsha Shah**, his wife (hereinafter referred to as "Mortgagor") and **Mutual Bank**, a banking association having its principal office at 16540 South Halsted Street, Harvey, Illinois 60426 (hereinafter referred to as "Mortgagee").

WITNESSETH:

WHEREAS, reference is made to a certain Mortgage (the "Mortgage") dated June 22, 2006, by Mortgagor to Mortgagee, recorded June 27, 2006 in the Office of the Recorder of Cook County, Illinois as Document 0617844128, securing an indebtedness in the Original Principal Amount of \$21,000,000.00. The capitalized terms used in this Second Mortgage Amendment shall have the meaning ascribed in the Mortgage unless the context thereof shall clearly require otherwise.

WHEREAS, as provided in the Mortgage, the Mortgagor executed and delivered a Promissory Notes in the principal amount of \$21,000,000.00 (the "Note") executed by Kanan Fashions, Incorporated, an Illinois corporation (therein referred to as the "Borrower") payable to the order of the Mortgagee and which Promissory Note is secured by the above-referenced Mortgage encumbering real property located at **Unit 4802 at 100 East Huron, Chicago, Illinois**, legally described as:

PARCEL 1:

**UNIT NO. 4802 IN 100 EAST HURON STREET CONDOMINIUM AS
DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL
ESTATE:**

**LOT 2 IN CHICAGO PLACE, BEING A RESUBDIVISION OF THE LAND,
PROPERTY AND SPACE WITHIN BLOCK 46 (EXCEPT THE EAST 75
FEET THEREOF) IN KINZIE'S ADDITION TO CHICAGO IN THE NORTH
½ OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE
THIRD PRINCIPAL MERIDIAN,**

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WHICH SURVEY IS ATTACHED AS EXHIBIT 'A' TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NO. 90620268 TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

EASEMENT FOR MAINTENANCE, INGRESS AND EGRESS FOR THE BENEFIT OF PARCEL 1 AS SET FORTH BY EASEMENT AND OPERATION AGREEMENT, RECORDED OCTOBER 6, 1990 AS DOCUMENT 90487310.

PIN: 17-10-105-014-1200

100 EAST HURON
Unit 4802
CHICAGO, IL

(the "Real Estate"), together with other Mortgaged Property as described in the Mortgage.

WHEREAS, the loan was previously increased and Mortgagor executed a certain Mortgage Amendment and Loan Increase (the "Mortgage Amendment") dated July 7, 2006 by Mortgagor to Mortgagee, recorded July 14, 2006 in the Office of the Recorder of Cook County, Illinois as Document 0619545125, securing an indebtedness in the Principal Amount of \$25,000,000.00.

WHEREAS, as provided in the Mortgage Amendment, the Mortgagor executed and delivered Promissory Note dated July 7, 2006 in the principal amount of \$23,500,000.00 [having a current outstanding principal balance of \$23,500,000.00] and a second Promissory Note dated July 28, 2006 in the amount of \$1,500,000.00, both executed by Borrower payable to the order of the Mortgagee and which Promissory Notes are secured by the above-referenced Mortgage and Mortgage Amendment encumbering the Real Estate.

WHEREAS, the Promissory Note in the amount of \$1,500,000.00, dated July 28, 2006, has been paid in full and the Borrower and the Mortgagor have requested the Mortgagee to advance the additional sum of \$2,000,000.00 (the "Second Loan Increase").

NOW, THEREFORE, for and consideration of the mutual covenants and promises herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which are herewith acknowledged, the parties hereto agree as follows:

1. PREAMBLE: The recitals set forth in the preamble hereof are incorporated herein by this reference.

2. PRESERVATION OF LIEN PRIORITY: Nothing set forth in this Second Mortgage Amendment shall impair the lien of the Mortgage and Mortgage Amendment as heretofore existing. It is the intention of the parties that the priority of the Mortgage lien as currently exists shall continue in full force and effect. Further, it is the intention of the parties that the Second Loan Increase shall likewise be secured by the Mortgage and shall enjoy the same lien priority as the Mortgage; provided, however, if intervening lienholders shall have perfected a lien interest in part or all of the Mortgaged Property between the date hereof and the date of the Mortgage which results in a legally recognizable lien interest existing prior to the date hereof which is determined to have priority over the Second Loan Increase, the lien priority of the Original Principal Amount

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secured by the Mortgage and Mortgage Amendment shall remain as existed prior hereto and only the lien as it pertains to the Second Loan Increase shall be subject to the interest of any such intervening lienholder. In such event, all payments received by Mortgagee shall be applied first to the Second Loan Increase, and interest and other amounts due with respect thereto, before any such payments shall be applied to the Original Principal Amount described in the Mortgage and Mortgage Amendment and interest or other amounts secured by the Mortgage and Mortgage Amendment prior to this Second Mortgage Amendment.

3. LOAN INCREASE: Mortgagee is concurrently herewith making an additional advance in the amount of \$2,000,000.00 (the "Second Loan Increase") to the Mortgagor, and the Mortgagor hereby agrees that the Mortgage shall hereafter secure an Indebtedness in the total principal amount of \$25,500,000.00, which sum shall hereinafter constitute the "Original Principal Amount" as specified in the Mortgage.

4. MORTGAGE AS SECURITY FOR NOTE: The Mortgagor and Mortgagee stipulate, acknowledge and agree that the Second Loan Increase, together with the principal indebtedness represented by the Promissory Note heretofore secured by the Mortgage and Mortgage Amendment in the amount of \$23,500,000.00 [having a current principal balance of \$23,500,000.00] shall be increased and evidenced by an additional Promissory Note dated April 25, 2007 executed by the Borrower in favor of the Mortgagee in the principal amount of \$2,000,000.00. Accordingly, from and after the date hereof, the Mortgage shall secure an Indebtedness in the Original Principal Amount of \$25,500,000.00 and, except as expressly modified in this instrument, the Mortgage shall otherwise continue in full force and effect until the entire Indebtedness evidenced by the Promissory Note secured by the Mortgage, as amended by this Second Mortgage Amendment, is paid in full.

5. MORTGAGOR'S REPRESENTATIONS, WARRANTIES AND COVENANTS: All of the representations, warranties and covenants of the Mortgagor as set forth in the Mortgage or otherwise shall be deemed remade as of the date hereof to the same extent as if the same were expressly incorporated in this Second Mortgage Amendment.

6. CONTINUING EFFECT: Except as expressly amended by this Second Mortgage Amendment, all of the terms, covenants and conditions set forth in the Mortgage and the Mortgage Amendment shall continue in full force and effect to the same extent as existed prior to execution of this Second Mortgage Amendment.

7. HEADINGS: The headings set forth herein are for convenience of reference only and shall not be deemed to impair, enlarge or otherwise affect the substantive meaning of any provision to which such heading may relate.

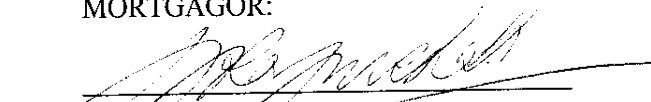
8. GOVERNING LAW; VENUE: This Second Mortgage Amendment, and all of the obligations of the parties arising hereunder, shall be governed, construed and interpreted in accordance with the laws of the State of Illinois (without giving effect to any Illinois "choice of law" principles which would require construction under the laws of a different jurisdiction), and Cook County, Illinois shall be deemed a proper venue for any action arising hereunder or in connection herewith.

9. COUNTERPARTS: This Second Mortgage Amendment may be executed in multiple counterparts, each one of which shall be deemed an original but all of which, taken collectively, shall be deemed a single instrument; provided, that this Mortgage Amendment shall not be enforceable against any party hereto unless all parties hereto have executed at least one (1) counterpart.


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IN WITNESS WHEREOF, this Second Mortgage Amendment is executed as the free, voluntary and duly authorized acts of the undersigned for the purposes set forth herein effective as of the day and year first above written.

MORTGAGOR:



 Mehul Shah



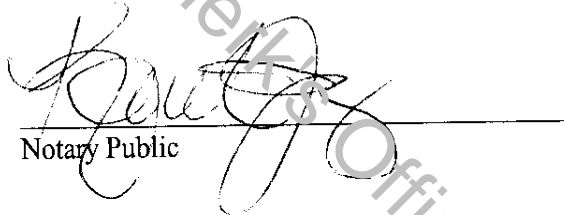
 Varsha Shah

Property of Cook County Clerk's Office

ACKNOWLEDGMENT

STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

The foregoing instrument was acknowledged before me this 26th day of April, 2007 by Mehul Shah and Varsha Shah, his wife.



 Notary Public

